



CHEMICAL GROUP

NORTH AMERICAN COMPENSATION PROGRAMS

EMPLOYEE TOTAL REWARDS GUIDE

April 1, 2002 – March 31, 2003

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(DuPONT, AVECIA ACCOUNT, and JPMorgan Financial Application Services)

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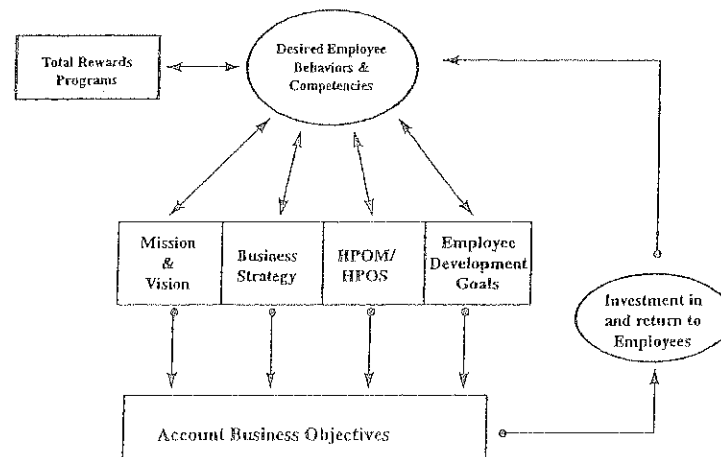
TABLE OF CONTENTS

TABLE OF CONTENTS	2
1. Total Rewards.....	3
A. TOTAL REWARDS STRATEGY	3
B. TOTAL COMPENSATION PHILOSOPHY	3
C. COMPONENTS OF TOTAL REWARDS	4
D. EVOLUTIONARY PROCESS	4
E. FY2003 KEY INITIATIVES.....	4
2. PURPOSE OF THE EMPLOYEE'S GUIDE	5
3. BASE SALARY	5
A. JOB TITLES AND JOB FAMILIES	5
B. CHEMICAL GROUP FY2003 SALARY RANGES.....	7
C. MAKING BASE SALARY DECISIONS.....	8
4. CHEMICAL GROUP VARIABLE COMPENSATION PROGRAMS	8
ELIGIBILITY FOR <u>ALL</u> INCENTIVE COMPENSATION PROGRAMS.....	8
FY2003 PAYOUT POTENTIAL FOR ELIGIBLE EMPLOYEES.....	9
Program Name.....	9
A. FY2003 NORTH AMERICAN INCENTIVE COMPENSATION PROGRAM	9
EXAMPLE PAYOUT.....	10
RATIONALE FOR TARGETED OBJECTIVES.....	10
B. ANNUAL MANAGEMENT INCENTIVE PLAN (AMIP)	11
Background of CSC AMIP	11
Participant Eligibility Guidelines	11
5. RECOGNITION.....	12
BACKGROUND	12
OVERVIEW OF THE ALL STAR RECOGNITION PROGRAM.....	12
PURPOSE.....	12
PRINCIPLES	13
WHAT SHOULD BE RECOGNIZED?	13
KEY ITEMS TO THINK ABOUT WHEN MAKING A NOMINATION:	14
HOW WOULD YOU LIKE TO CELEBRATE THE RECOGNITION?.....	14
AWARD CATEGORIES	15

1. Total Rewards

A. Total Rewards Strategy

The Chemical Group's Total Rewards Strategy is to associate all cash and non-cash rewards with the achievement of Business Objectives and individual career goals. The strategy is accomplished by creating programs that reinforce the desired employee behaviors and competencies, which support our Mission and Vision, Business Strategies, and High Performance Operating Model. The strategy is depicted in the diagram below:



The TOTAL REWARDS program is a package of reward tools designed with a focus on shifting everyone's orientation around cash compensation from one of entitlement to delivering results. In principle, the program will:

- Tie employee total compensation to business objectives by motivating employees to measurably impact short-term and long-term business results.
- Achieve business results through desired behaviors and competencies.
- Promote and require effective team and individual behavior deemed necessary for future success of the account.
- Provide employees with the opportunity to take part in increasing their own employment value.
- Maintain market competitiveness while balancing total compensation between base salary and variable compensation.
- Attract, develop and retain the skills necessary to meet and/or exceed business objectives.
- Shift the organization to a results-oriented and performance-based pay system.

B. FY03 TOTAL COMPENSATION PHILOSOPHY

Our global total compensation philosophy is to pay above the market average and link employee pay to individual, team and account performance for the purpose of attracting and retaining the resources necessary to meet or exceed business objectives. We will balance the elements of our total compensation program by targeting our base salaries at market average and by supplementing base salaries with a variable compensation program that supports our business objectives and is responsive to the market.

C. COMPONENTS OF TOTAL REWARDS

TOTAL REWARDS incorporates all forms of compensation including but not limited to:

- Base Pay
- Variable and Incentive Compensation
- Recognition Program
- CSC Benefit Plans
- Benefits embedded in CSC policies (Education Assistance, PC Loan, etc.)
- Non-cash awards in the form of personal and professional development, etc.

Our charter is to offer a cadre of reward programs targeted to meet specific business objectives while ensuring that each employee receives fair and equitable treatment for the value he or she adds to the Chemical Group.

Accordingly, it becomes the responsibility of you the employee to consider and understand the value of your relationship with this Company in total, not simply in terms of your direct pay.

D. Evolutionary Process

Although implemented, the design of these programs and processes will remain evergreen. The CG Human Resources organization will continually evaluate our pay practices to ensure industry and market competitiveness. This evolutionary process will allow us to continually monitor our internal needs, business objectives and market changes so that we achieve our overall compensation philosophy. Additionally, we will be able to constantly refine and improve employee support processes, such as pay practices, to ensure a continued focus on rewarding people for meeting and/or exceeding business objectives, delivering results, and demonstrating behaviors that advances excellent people treatment.

In FY99, the introduction of the DuPont Account Incentive Compensation Program marked the beginning of this evolution. Our first step defined a process that included employees in an incentive compensation program, shifted our focus from individual to team based incentives/rewards, and began to change our compensation "mix" from being fixed (base pay) to one that combines fixed and variable (incentive) rewards.

E. FY2003 Key Initiatives

Several key initiatives took place in preparation to launch FY2003 incentive programs:

- **Anchored base salaries to the Market**: After a thorough review of the market, we established our position vis-à-vis that market.
- **Salary Improvement Fund (SIF)**: Engaged in a thorough analysis of current business conditions and projections for the current fiscal year. With full understanding of our competitive position in the labor market and results of the business analysis.
- **Incentive Compensation Program**: The incentive compensation program has been upgraded and re-designed for FY03, but it will continue to allow for all eligible employees on the CG payroll and CG employees joining GIS prior to April 5, 1999 to participate in an incentive program. This document will provide more insight into this plan and how it links to FY2003 business objectives.
- **Premium Skills Pay Program** – Moved our PSPP program to an "inactive" status as a result of and thorough review of the market. It has been determined that at this time, market premiums are not demanding the price they once had for hot technologies. Our PSPP program will remain "inactive" until future market analyses determines that Chemical Group's business needs and market change dictates a re-activation of "Hot Skills".
- **Recognition Program** – This employee recognition program allows employees to recognize their peers for outstanding contributions and behaviors that support Chemical Group strategies, objectives and the operating model. It will also reflect Cultural Disciplines. This year, an employee action team has been working to enhance the programs' non-cash awards.
- **Eligibility** - Chemical Group employees are eligible to participate in only ONE incentive compensation program at a time:

- Employees cannot simultaneously participate in AMIP the Chemical Group North American Incentive Compensation Program

2. PURPOSE OF THE EMPLOYEE'S GUIDE

The purpose of this document is to provide CG employees with a description of all Chemical Group Cash and Non-Cash Compensation programs including:

- Base Salary
- Chemical Group North American Incentive Compensation Program
- Annual Management Incentive Program
- Recognition Program

As you discuss these programs with your manager, it will serve as a reference tool to help you:

- Understand the purpose of our Cash and Non-Cash Compensation Programs and why they are part of our Total Rewards offering.
- Fully understand the concept of our Cash and Non-Cash Compensation Programs from a business and employee perspective

This document will be revised and published periodically so that you are up-to-date on revisions made to our pay practices.

If you have questions or concerns about these programs, please see your manager.

3. BASE SALARY

The Base Salary program at Chemical Group includes the flexibility to accommodate the varied needs of the business. It allows employees to achieve base pay increases based on individual contribution and performance. The program contains salary grades with wide bands that accommodate different technologies and skills found within each job classification and job family.

A. Job Titles and Job Families

Every hourly and salaried position is classified into a job title, job family, and salary grade. There are 2 job families for HOURLY employees. They are the Technician Family and the Administrative and Clerical Family.

There are 4 job families for SALARIED employees. They are the Management, Technical, Engineering, and Professional families.

The purpose of this structure is to ensure that every job is classified appropriately to determine the relative worth of the job to the organization. Further, the structure serves to develop a rational approach to pay and ensure our competitive position in the market.

Job Titles and Families (cont'd.)

Grade	Job Family	Titles
N01	Administrative & Clerical	Data Entry Operator I
		Department Assistant I
		Facilities Assistant I
N01	Technicians	Technical Assistant I
N02	Administrative & Clerical	Accounting Assistant I
		Data Entry Operator II
		Department Assistant II
N02	Technicians	Computer Operator I
		Technical Assistant II
N03	Administrative & Clerical	Accounting Assistant II
		Department Assistant III
		Facilities Assistant II
N04	Administrative & Clerical	Administrative Assistant I
N04	Technicians	Computer Operator II
		Technician I
N05	Administrative & Clerical	Accounting Specialist I
		Administrative Assistant II
		Facilities Specialist I
N05	Technicians	Computer Operator III
N06	Administrative & Clerical	Accounting Specialist II
		Administrative Assistant III
N06	Technicians	Computer Operator IV
		Technician II
N07	Administrative & Clerical	Accounting Specialist III
		Administrative Assistant IV
		Computer Operator V
N07	Technicians	Technician III
N08	Administrative & Clerical	Executive Assistant I
		Facilities Specialist II
N08	Technicians	Computer Operator Specialist
		Computer Operator V
		Technician IV
N09	Administrative & Clerical	Executive Assistant II
N09	Technicians	Computer Specialist
N10	Administrative & Clerical	No titles at this time
N11	Technicians	Technician V

There are 4 job families for SALARIED employees. They are the Management, Technical, Engineering, and Professional families. Within each job family, there are a variety of job classifications, each at a different salary grade level as follows:

Grade	Job Family	Titles
S01	Technical	Assoc Mem Tech Staff (AMPS)
	Professional	Assoc Member Prof Staff (AMTS)
S02	Technical	Memb Tech Staff B (MTSB)
	Engineering	Engineer Assoc
	Professional	Memb Prof Staff (MPS)
S03	Technical	Memb Tech Staff A (MTSA)
	Engineering	Engineer
	Professional	Memb Prof Staff Senior (SMPS)
	Management	Supervisor
S04	Technical	Sr Memb Tech Staff (SMTS)
	Engineering	Engineer Sr
	Management	Sr Supervisor
S05	Technical	Computer Scientist
	Engineering	Engineer Principle
	Professional	Memb Advisory Staff (MAS)
	Management	Manager
S06	Technical	Computer Scientist Sr
	Engineering	Engineer Sr Principle
	Professional	Sr Memb Assoc Staff (SMAS)
	Management	Sr Manager
S07	Technical	Computer Scientist Principle
	Engineering	Engineer Sr Cons
	Professional	Sr Member Executive Staff (SMES)
	Management	Director
S08	Management	Vice President
S09	Management	President

B. Chemical Group FY2003 Salary Ranges

Every year, the Human Resources team conducts a market analysis to ensure our position in the market relative to average base salaries. Once the analysis is concluded, we compare our findings to current salary ranges, specifically, our midpoints. If our midpoints are below market averages, we adjust the midpoints and the minimums and maximums of the ranges.

Chemical Group does not publish salary ranges to Non-Management employees. Salary ranges include highly confidential information that is competitive in nature. However, you are permitted to ask your Manager for your specific salary range as well as the next highest range relative to your grade level. Your manager is able to provide you with your grade range minimum, midpoint and maximum.

C. Making Base Salary Decisions

Within the employment cycle, there are specific times when a manager will make pay decisions. Those times include time of hire, annual merit cycle, promotion, transfer, reclassification, and adjustments in salary for reasons other than those already mentioned (i.e., Off-cycle adjustments).

The Human Resources team and managers have the responsibility to ensure all employee salaries are commensurate with the competencies and skills they bring to the business. Components considered at the time of pay decisions include:

- Internal equity: salaries of peers performing in the same position with like skills, knowledge, abilities, experiences and education
- Market equity: comparison to market averages
- Compa-Ratio: employee salary versus salary grade midpoint
- Current salary range penetration
- Employment metrics: Human Resources monitors terminations to ensure minimal turnover resulting from inappropriate salaries
- Matrix guideline (during annual salary review only)
- Current business conditions
- Budget

4. CHEMICAL GROUP VARIABLE COMPENSATION PROGRAMS

Variable compensation was introduced to the Chemical Group in FY99 with the deployment of the Incentive Compensation Program (ICP). The first step defined a process that included all employees in an incentive compensation program, shifted focus from individual to team based incentives/rewards, and began to change our compensation "mix" from being fixed (base pay) to one that combines fixed and variable (incentive) rewards.

The programs that will be discussed in this section of this document include:

- A. The New and Improved Chemical Group North American Incentive Compensation Program (CGNAICP)
- B. Annual Management Incentive Program (AMIP)

These Programs play a major role in the Chemical Group Total Rewards Strategy.

Eligibility for All Incentive Compensation Programs

The following describes the general eligibility requirements for all incentive/variable pay programs. If applicable, more specific eligibility requirements for specific programs will be included within the description for that program.

- Regular Full Time and Regular Part Time employees must join the Chemical Group payroll for program eligibility.
- Employees must work in a Chemical Group Line of Service that offers this program.
- Employees joining the Chemical Group as part of Global Infrastructure Systems (GIS) prior to April 5, 1999 are eligible for participation for FY2003.
- Employees must be performing at a category 1, 2, or 3 level of performance
- Chemical Group employees are eligible to participate in only **ONE** incentive compensation program at a time:
 - Employees cannot simultaneously participate in the AMIP and the Chemical Group NAICP

PAYOUT:

- Employees must support DuPont, Avecia or JPM accounts in the Chemical Group business unit
- Chemical Group employees who transition to any business unit within CSC will receive a pro-rated payout from the Chemical Group at time of award payment based on the time period of contribution to Chemical Group business objectives.
- Employees must be on CSC payroll, active status, at the time of payout.
- REGULAR PART TIME EMPLOYEES or REGULAR FULL TIME EMPLOYEES who work less than 40 hours per week: Payout will be pro-rated based on the number of hours worked per week.
- **Exceptions:** In the event of termination due to
 - death
 - retirement due to lack of work
 - layoff due to lack of work
 - disability

the employee will receive the pro-rated portion of payout at the time of award payment, based on months of participation.

- Employees terminated for cause will not receive payout.
- Participation eligibility in all programs is reviewed each year and there is no guarantee of continued participation from one year to the next
- All incentive/variable compensation programs are reviewed annually and may be modified or discontinued based on the Chemical Group's financial capability and business requirements.
- Employees who are on a paid or unpaid leave of absence greater than 30 consecutive days during the course of a fiscal year, will receive a pro-rated payout upon returning to work.

FY2003 Payout Potential for Eligible Employees

Program Name	FY2003 Payout Potential
Chemical Group North American Incentive Compensation Program	5%, 7% or 9% of base salary depending upon grade level
Employees participating in FY2002 AMIP	Individual AMIP Maximum Potential

A. FY2003 Chemical Group North American Incentive Compensation Program

Salary Grade	Target Potential	Weighted %		
		Financial	Client Satisfaction	Performance
N01-N09	5%	30%	35%	35%
S01-S03	7%	40%	30%	30%
S04-S06	9%	50%	25%	25%

This year, the performance aspect of this program includes an upside potential for outstanding contribution:

Category 1 150%
 Category 2 125%
 Category 3 100%

See example below

Bonus Structure

The bonus structure consists of a breakout by grade levels for eligibility, targeted objectives for group financials and targeted objectives for individuals.

B-1300

Example PayoutAssumptions for example:

- Employee is an S03 grade level with a base salary of \$60,000 per year.
- Target bonus potential is equal to 7% of base salary or \$4,200.00
- Performance rating is equal to "2"
- Account made all financial objectives and CPAR objectives for the fiscal year.

Example:

- $\$60,000$ (base salary) \times .07% (eligibility) = \$4,200.00 (target bonus)
- $\$4200.00 \times 40\%$ (financial weighting) = \$1,680.00
- $\$4200.00 \times 60\%$ (non-financial weighting) = \$2,520.00
 - 30% Client Satisfaction = \$1,260.00
 - 30% Individual Performance = \$1,260.00
- 30% Performance aspect multiplied by upside potential of 125% for "2" PAR = \$1,575.00
- Total Bonus now equals \$4,515.00
- Prior year maximum payout opportunity was \$2,400.00

Employee has earned an additional \$2,315.00 in bonus dollars for FY03!

Employees contribute toward the satisfaction of these targeted objectives by establishing and meeting their individual objectives.

First, it is imperative that each employee understands how his/her individual objectives contribute toward the satisfaction of his/her team's objectives. It is the responsibility of both the employee and the manager to have a discussion so both parties are aligned around objectives.

Second, the employee needs to understand how the team's objectives contribute toward the satisfaction of his/her functional organization's objectives. It is the responsibility of the team and the appropriate management to have a discussion so both parties are aligned around objectives. This cascading approach ensures that each individual's objectives support and contribute toward the satisfaction of overall Group, Account, and Functional objectives.

RATIONALE FOR TARGETED OBJECTIVES

Chemical Group Human Resources and Management have specifically identified the four targeted objectives above for the following reasons:

1. Chemical Group success with current and future business is directly impacted by the satisfaction of our clients. Therefore, it is critical to have all employees engaged around Account client satisfaction metrics and measurements. We do so by heavily weighting a percentage of your non-financial payout to client satisfaction.
2. The Group has made financial commitments to CSC Corporate, who then makes financial commitments to investors. Therefore, we have tied a large portion of your payout to Group Operating Income and to the Group Revenue commitment. These commitments must be met ensuring that operating cost is maintained or reduced. If the Group succeeds financially, we all succeed.

Employees will be kept up to date and informed of Chemical Group's progress throughout the fiscal year via periodic report cards and email communications stating our progress to date in relation to business objectives and financials.

B. Annual Management Incentive Plan (AMIP)

BACKGROUND OF CSC AMIP

The CSC Annual Management Incentive Plan (AMIP) is based on CSC's fiscal year.

PARTICIPANT ELIGIBILITY GUIDELINES

Eligibility and payout guidelines for all other compensation programs apply. (See Page 8)

In addition, the following apply for AMIP:

- Employees are made eligible to participate in AMIP based on anticipated superior contributions to the successful achievement of business objectives.
- Participation is based on the employee's job scope and impact of decisions to the success of the business.
- **Participation in AMIP is held to the management job family and salary grade S05 and above.** Maximum potential percent may increase commensurate with management salary grade level.
- Participation in AMIP is reviewed each year, and there is no guarantee of continued participation in the AMIP program.
- If an employee participating in AMIP accepts transfer or promotion to a position that does not meet the requirements/criteria for AMIP eligibility, the employee will not be eligible to participate in AMIP.

If you are eligible to participate in AMIP, your manager will supply you with a description of the program criteria and payout methodology. More important is that you gain full understanding of the objectives by which you will be measured. If you do not have or know these objectives, please ask your manager immediately.

Participants are placed in AMIP and are eligible for a bonus award payment at a specified maximum potential percent of current base salary. The potential percent is comprised of two categories of performance: financial objectives and non-financial objectives that are jointly determined by the participant and cognizant manager.

Bonus awards are calculated following the close of the CSC fiscal year, and payments are generally made to participants at the end of May. Bonus award payments are cash payments and are not CSC MAP and Pension pensionable earnings. The payments are considered pensionable earnings under the DuPont and Conoco pension plans.